

*for Narcotics*  
OFFICE OF THE D/I  
Approved For Release 2005/11/23 : CIA-RDP80B01495R00090006-9

8 October 1975

TO: ADDI

FROM: [REDACTED]

SUBJECT: Narcotics

1. The attached paper, written by [REDACTED] discusses the illicit narcotics trafficking and opium prices in the Golden Triangle area of Southeast Asia. The paper was written in response to a request from DDO/EA/NAOPS and was forwarded to me by [REDACTED] Chief, OER/DSA.

2. The "pitzu" referred to on Page 1, Para. 2 is a crude form of morphine base.

3. Burma recently launched a major military drive in southern Burma, under the code name MO HEIN OPERATION, during which US supplied helicopters have been used with some success. A significant CIF base has been captured and one of the main opium smuggling caravan routes has been blocked.

4. In Thailand, to the south, the news is not so good. There are reports that Thai military helicopters have been involved in the trafficking.

5. There has been a bumper opium harvest in the Golden Triangle this year, and some of it almost certainly will find its way into Western illicit markets.

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6 October 1975

Narcotics Prices and Composition of Traffic in  
Southeast Asia During First Half of 1975

During the first seven months of 1975 a total of 171 tons of raw opium were shipped from various Golden Triangle market areas to the Burma-Thailand border area.\* Of this total, 82 tons terminated on the Burmese side of the border, 53 tons in Thailand, and 13 tons in Laos. The organizations responsible for the transport of this opium were as follows:

Chinese Irregular Forces (CIF)	= 58 tons
Shan United Army (SUA)	= 48 tons
Burmese Communist Party (BCP)	= 41 tons**
Private Traffickers	= 17 tons
Shan United Revolutionary Army (SURA)	= 5 tons
Kachin Independence Army (KIA)	= 2 tons
Former Burmese Self Defense Force (KKY)	= 2 tons
Tribal Groups	= 1 ton
Pathet Lao	= 1 ton

Reported pitzu exports during the first seven months of 1976 totaled about 1,800 kilograms of which 1,400 kilograms originated from refineries located in Burma. The organizations responsible for the shipments of pitzu were as follows:

Private Traffickers...	1,432 kilograms
SUA.....	300 kilograms
CIF.....	50 kilograms
KKY.....	20 kilograms

Reported exports of morphine base totaled 360 kilograms of which 234 kilograms were handled by private traffickers and 126 kilograms by the KIA.

\*May include reexports within Burma which could account for some double counting.

\*\*Includes shipments into China.

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Reported exports of No. 4 Heroin totaled 458 kilograms of which 437 kilograms were moved by the CIF and 21 kilograms by private traffickers.

The average wholesale price paid for narcotics in selected areas of Southeast Asia in 1974 and 1975 can be seen in the following tables:

Table 1

Raw Opium  
US \$ Per Kilogram

	1974		1975	
	<u>January</u>	<u>June</u>	<u>January</u>	<u>June</u>
<u>Burma</u>				
Kunlong	18	26	NA	29
Kutkai	18	28	50	NA
Lashio	17	30	53	32
Tangyan	18	32	67	38
Bhamo	18	35	57	41
Rangoon	21	49	85	NA
Kengtung	35	46	85	39
Taunggyi	17	36	65	30
Tachilek	56	73	99	46
<u>Thailand</u>				
Mae Sai	56	73	98	46
Chiang Rai	69	92	106	55
Chiang Mai	53	88	108	66
Bangkok	101	65	107	110
<u>Laos</u>				
Ban Houi Sai	NA	69	100	78
Vientiane	153	175	156	NA
<u>Kuala Lumpur</u>	200	200	300	400
<u>Singapore</u>	180	NA	NA	435
<u>Hong Kong</u>	292	406	NA	2,129

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Table 2

Pitzu  
US \$ Per Kilogram

	1974		1975	
	January	June	January	June
Tachilek	675	800	1,037	556
Mae Sai	750	800	1,037	563
Chiang Mai	NA	950	NA	650
Bangkok	NA	750	1,050	515

Table 3

Morphine Base

	1974		1975	
	January	June	January	June
Lashio	NA	660	875	460
Tachilek	890	891	990	990
Mae Sai	NA	891	990	990
Chiang Mai	NA	880	NA	1,045
Bangkok	1,045	1,325	1,485	1,403
Kuala Lumpur	NA	721	1,900	2,300
Singapore	NA	2,500	3,000	3,200
Hong Kong	NA	2,200	5,058	3,278

Table 4

Heroin No. 3

	1974		1975	
	January	June	January	June
Tachilek	164	175	140	138
Mae Sai	NA	175	140	138
Chiang Mai	90	230	NA	260
Bangkok	295	1,650	NA	148
Kuala Lumpur	NA	4,400	4,400	5,500
Singapore	NA	NA	5,750	6,425
Hong Kong	NA	2,534	NA	3,672

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Table 5

Heroin No. 4

	<u>1974</u>		<u>1975</u>	
	<u>January</u>	<u>June</u>	<u>January</u>	<u>June</u>
Lashio	NA	5,142	5,619	1,429
Kengtung	1,642	3,049	3,285	2,143
Tachilek	1,870	2,827	2,548	1,893
Mae Sai	1,723	2,827	2,572	1,893
Chiang Rai	NA	3,036	2,500	2,143
Chiang Mai	1,710	3,411	2,714	2,286
Bangkok	2,202	3,855	3,593	3,214
Vientiane	NA	5,156	5,714	NA
Kuala Lumpur	NA	6,100	9,000	10,000
Singapore	NA	10,000	7,900	8,350
Hong Kong	NA	6,758	NA	7,260
Saigon	NA	4,100	17,436	NA

The decrease in the prices of narcotics within the Golden Triangle in June 1975 probably reflects the improved supply situation caused by a bumper raw opium harvest in the Northern Shan State of Burma in 1975. In the major urban areas of Southeast Asia and the Far East, however, June 1975 prices have risen over the level of the previous year. These price increases reflect both inflationary factors and the greater risks posed by stepped-up enforcement actions by the governments in the area.

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